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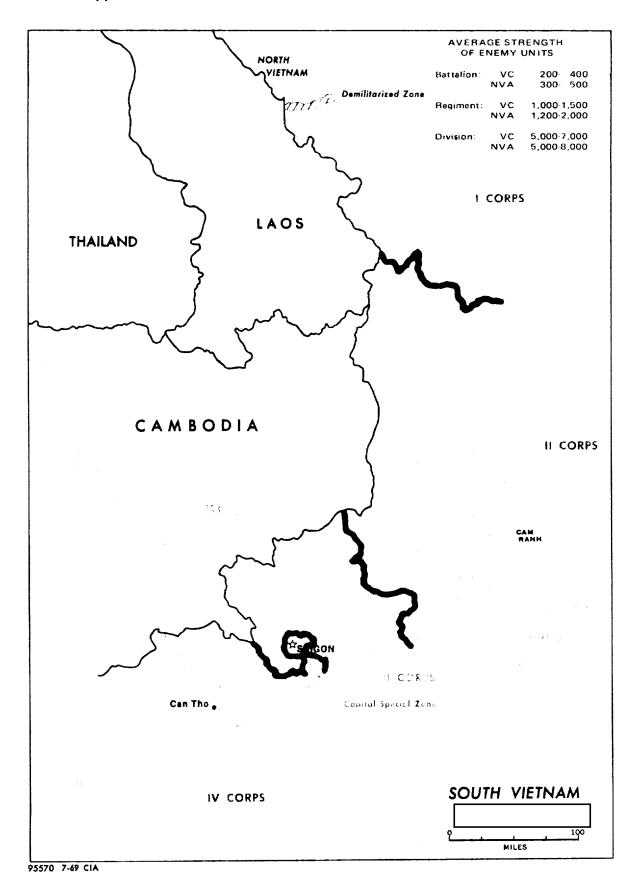
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Vietnam: Initial Vietnamese Communist reaction to President Thieu's election proposals has been swift and denunciatory.

The Provisional Revolutionary Government (PRG) delegation in Paris has issued a statement charging that Saigon's offer is a "farce and perfidious trickery" designed to appease domestic critics of its war policies and to keep itself in power. Communist spokesmen continue to stand firmly behind the Viet Cong ten-point proposal which calls for a "provisional coalition government" to conduct elections.

Thieu's proposals, offering the Communists a role in the organization and conduct of elections under international supervision, are his most forthcoming to date. Thieu has left the purpose, timing, and "modalities" of the elections subject to negotiations and has offered to abide by the results, challenging the Viet Cong to do the same. He probably expected the Communists to reject his proposals since they continue to refuse to deal with his government.

Enemy shellings in South Vietnam increased sharply yesterday with more than 40 allied bases and towns, including a half-dozen provincial capitals, coming under attack. In all cases, however, incoming fire totaled less than 20 rounds and only light casualties and damage resulted. Ground fighting continued at a relatively low level throughout the country, but terrorists were active in Saigon and the important delta city of Can Tho.

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Western Europe: Despite recent signs of French flexibility on the question of British membership in the European Communities, the odds are against any early agreement to open negotiations.

According to Bonn Foreign Ministry sources, the new French foreign minister told Brandt during their recent conversations in Paris that "we mean business" on the membership issue. As a result, Brandt has concluded that the French veto on British membership has been "withdrawn and abandoned."

Nevertheless, the Germans and other supporters of UK entry still face a real problem in converting this more positive attitude on the part of the French into a firm commitment regarding talks with Britain. Recognizing France's interest in the Communities' Common Agricultural Policy (CAP), Bonn is reportedly prepared to continue its present level of payments for agricultural subsidies for two years to parallel the assumed period of negotiations on British entry.

It is not clear, however, that such a bargain would appeal to the French, who would probably fear that any provisional agricultural arrangements would come undone during the talks with the British. Moreover, Paris evidently intends to muddy the British issue further by holding out the prospect of early progress toward greater European unity. Pompidou, in his press conference on Thursday, seemed to hint at this strategy when he stressed the priority of strengthening the community over enlarging it.

In view of the situation, it is unlikely that
Brandt's visits to various European capitals in the
next two weeks will bring the opening of negotiations
with the British much closer. The EC Council meeting
on 22 July could, however, clarify the situation some-
what.

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Pakistan - Communist China: President Yahya Khan is trying to reassure China that his government will maintain the cordial relations that existed under Ayub's regime.

Nur Khan, commander in chief of the air force and deputy martial law administrator, is leading a delegation to China today. The Pakistani delegation may try to allay any Chinese concern caused by the recent Soviet proposal for an Asian security pact. In late June, the Pakistani foreign secretary told a US official that the USSR's suggestion was evidently made in response to what the Soviets saw as a Chinese threat, but that Pakistan "obviously could not participate."

Pakistani-Chinese relations entered an uncertain period in late March when Ayub Khan resigned and the martial law government assumed control. The Chinese withheld a statement of public support until 5 May. In June China underscored its desire for continuing close ties with Pakistan by including it in the first group of nations to receive a returning ambassador.

Despite its wish to maintain cordial ties with	
China, Pakistan may institute some slight changes	
in its policy.	25X1
President Yahya Khan believes Pakistan's	
China policy has created difficulties with other	
governments. he is looking for ways to	
move Pakistan closer to the center of world opinion	*
on China policy without causing difficulties in re-	
lations with Peking.] 25X1

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Romania-USSR: Bucharest has acted, presumably with Moscow's compliance, to put the best face possible on the agreement to postpone until fall a visit by top Soviet leaders. The agreement follows several bilateral consultations and probably means that a revised Romanian-Soviet friendship treaty will not be signed before the visit. The Romanian ambassador in Paris announced the postponement yesterday at a press conference and cited "urgent and unforeseen duties" on the part of the Russian leaders as the cause for delay. The announcement is possibly intended to minimize the embarrassment to both sides caused by worldwide reports that Moscow's relations with Bucharest were worsened by President Nixon's upcoming trip.

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USSR-US: Two recent events suggest that Moscow is determined to avoid any unnecessary aggravation of relations with the US. On 11 July a Soviet Foreign Ministry official announced that a US citizen who had recently violated Soviet air space in a private West German aircraft would be released immediately. Two days earlier, an American journalist barred from entry into East Berlin by the East Germans was permitted to enter without incident, presumably because of Soviet intervention with Pankow. In both cases Soviet officials who received the US officials' recent approaches were extremely cooperative.

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Arab States - Israel: Rumors of an impending Israeli attack against Syria or Jordan have again alarmed the Arab states. As a precautionary measure the Syrians have reportedly sent reinforcements to the cease-fire line with Israel. These rumors probably stem from the recent Israeli aggressiveness in the air and on the ground. A call-up of Israeli reservists, reportedly scheduled for 15 July, will also heighten Arab fears. The Israeli action, however, is believed to be connected with normal summer maneuvers and field exercises.

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UN - Middle East: General Odd Bull, the chief of staff of the UN Truce Supervision Organization, is thinking of asking U Thant to withdraw some UN observers "temporarily" from their posts on the Israeli side of the Suez Canal. Bull is concerned, however, that a withdrawal of observers from one side may provoke demands to withdraw an equal number from the other. He has said that the home governments of the observers have not exerted pressure for their withdrawal but he appears to be concerned about their safety and morale. He will watch developments between now and Monday before making any recommendations to New York.

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